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## **Kentucky's standard deduction; pension exclusion for 2006 tax year**

**FRANKFORT, Ky.**— Kentucky's standard deduction for individual income tax increases to \$1,970 for the 2006 tax year as authorized by KRS 141.081(2). This change represents an increase from \$1,910 for the 2005 tax year. Taxpayers who do not itemize deductions on their individual income tax return are entitled to claim this standard deduction.

Kentucky's individual income tax pension exclusion will remain unchanged at \$41,110 for the 2006 tax year. This exclusion applies to tax returns due April 16, 2007.

Retirees who make quarterly estimated Kentucky individual income tax payments should take this pension exclusion into account when calculating their quarterly payments for 2006. The first payment is due April 17, 2006.

The 2005 General Assembly repealed KRS 141.0105 that provided for the pension exclusion to be adjusted annually for inflation.

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